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SUBJECT: MEDIA REACTION: TAIWAN, CHINESE ECONOMY, GEITHNER'S VISIT,  
WESTERN CRITICISM ON CHINA

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Editorial Quotes  
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11. TAIWAN

"Time the U.S. eschewed its faulty Taiwan policy"

The official English-language newspaper China Daily (05/14): "Some scholars credit the TRA for the positive developments in Sino-U.S. and cross-Straits ties. This is ridiculous, coming as it does on the 30th anniversary of the U.S. Congress passing a controversial bill. Washington's Taiwan Relations Act (TRA) has been the biggest hurdle in deepening the U.S.-Sino ties. The TRA says that the U.S. would fulfill its 'security commitment' made to the island in case of emergency. The TRA was a big step backward for the U.S. from its decision to normalize ties with the PRC. In passing the bill, the U.S. not only interfered with China's internal affairs but also infringed upon its sovereignty. Sino-U.S. ties have no doubt moved forward, but strategic misgivings still exist between the two sides. Washington is worried that Beijing could pose a threat to its dominant role in East Asia, and the world beyond, if it becomes more powerful. And the existence of the TRA makes Beijing justifiably fear Washington would play the Taiwan card to check its development. The TRA has long been an obstacle in Sino-U.S. ties, and it's time it was given its long due burial so that bilateral relations can be taken to a higher level."

12. CHINESE ECONOMY

"Chinese model and the doctrine of mean"

The official English-language newspaper China Daily (05/14): "As the economic crisis batters the world, many experts have started to debate economic models. First, the Chinese economy seems to be more robust than others despite the financial tsunami. Second, the means used by China to fight the crisis have generated curiosity. Though the Chinese government's approach seems to have no substantial difference that those of others, it has been more effective till now than the way chose by western governments. Third, people are forecasting the role of China in the future global economic order. China's capacity to cushion the impact of the crisis, its means to recharge the economy and its role in recharging the new global economic order are closely related to the economic model China has followed for the past three decades. That's why so many people are interested in the Chinese model. Many developing countries want to learn from China, while the developed ones worry that the Chinese model could become the alternative one to that of the west. I think the Chinese model is a composite or mixed economic system. Its features include a mixture of ownerships, a combination of foreign and domestic demands, and the balance between the State and the market. The Chinese economic model combines the forces of the State and the market both. Before the reform and opening up, China used to be a planned economy where the State was omnipresent. The financial sector is an example of how China has maintained a balance between the State and the market. But despite its merits, the Chinese model

has its faults, especially in its threadbare social safety net, which requires painstaking work to build. China needs to learn a lesson from the global financial crisis, and continue to improve its model by following the doctrine of mean."

### 13. GEITHNER'S VISIT

"The U.S. Treasury Secretary is coming to China to test the situation"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(05/14): "Although the U.S. was the first country to transfer the H1N1 virus to China, the officials will not wear masks when they meet new Treasury Secretary Geithner. Geithner is the second senior official of the Obama administration, after Hillary Clinton, to visit China. At the beginning of the year, he criticized China for manipulating their exchange rate. However, in the last few months his attitude has mellowed. China being Geithner's first stop makes Japan jealous. It is expected that Geithner will pressure China during the visit. Chinese experts have stated that China should establish rules when dealing with Geithner. For some of the selfish requests of the U.S., China should confidently turn them down. Geithner's visit to China has worried Japan. A Chinese professor indicated that Geithner may bring up purchasing American bonds, but as Treasury Secretary, he may not mention human rights issues. The interests of the U.S. and China are closely connected. Any help exchanged between the two should not be one-sided. Chinese experts indicate that China should take the chance to inform the Secretary that China's economic situation is not as good as it looks. 'An old fox' could describe Paulson, and a 'little mule' could describe Geithner. China should mention the RMB issue even before Geithner mentions it, asking him if any

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currency is able to continuously rise and never fall. China's foreign trade system can't sustain itself if the RMB continues to appreciate."

### 13. WESTERN CRITICISM ON CHINA

"Western media is polite to China"

The official Xinhua News Agency international news publication International Herald Leader (Guoji Xianqu Daobao)(05/14): "This year, China is realizing that the Western media is criticizing China less often. The west is calming concerning China's issues. The Chinese government has become more open and confident in leading international opinion and dealing with the western media. Chinese officials have changed their concepts concerning silence. They have begun to take initiative to explain China to the world positively guiding international opinion. The President of People's Bank of China, Zhou Xiaochun, once brought forward the idea of a 'super-sovereign currency' on the internet. It is a rarely-seen move by the Chinese government to take initiative and establish the global public agenda. China should realize that improving China's image is still a long way away."

WASHINGTON